



Aged, Blind & Disabled Categorically Needy INPATIENT HOSPITAL

March 22, 2001

IN FISCAL YEAR (FY) 2000, the number of inpatient admissions for Aged, Blind, and Disabled Categorically Needy (CN) clients increased 26.8 percent over early 1998. The average cost for all admissions remained relatively flat; rising just 3.3 percent while inpatient hospital costs rose 30.9 percent.

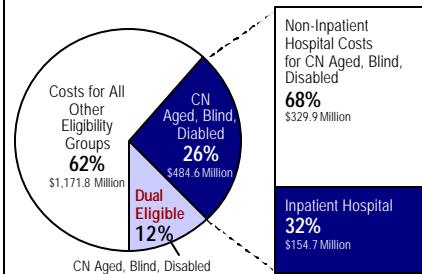
Inpatient admissions and costs were grouped by 26 Medical Diagnosis Categories (MDC). Of these, five represented more than half (57.8 percent) of the FY 2000 inpatient expenditures for Aged, Blind, and Disabled CN clients: circulatory system-related conditions, respiratory, non-MDC, musculoskeletal system and connective tissue, and nervous system disorders. The first two combined represented more than 30.7 percent of these costs.

Other top inpatient cost drivers included extensive operating room procedures unrelated to principal diagnoses (non-MDC) at 9.7 percent were up 62.3 percent; musculoskeletal system-related conditions up 51.9 percent from early 1998; and fifth-ranked nervous system disorders took 8.5 percent of MAA's hospital costs, up 12.4 percent from early 1998.

Overall, inpatient spending for Aged, Blind, and Disabled CN clients is up, caused primarily by the growth in this population.

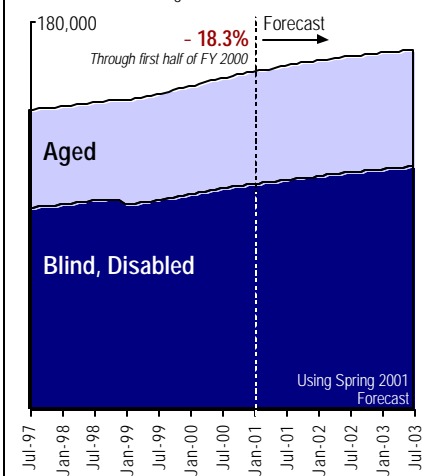
MAA Payments for Client Services

FY 2000 TOTAL = \$1,890.3 Million



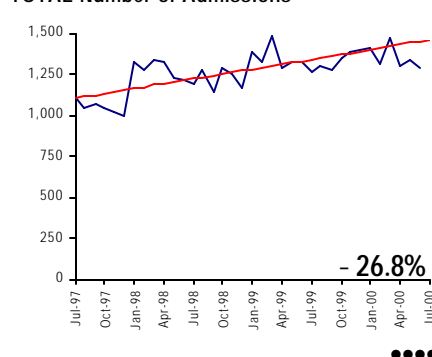
Enrollment and Forecast

Fiscal Years 1998 through 2003

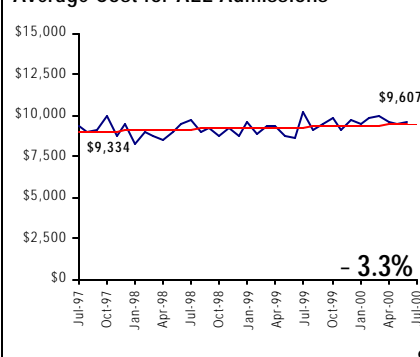


Inpatient Hospital Utilization and Costs: Categorically Needy – Aged, Blind, Disabled

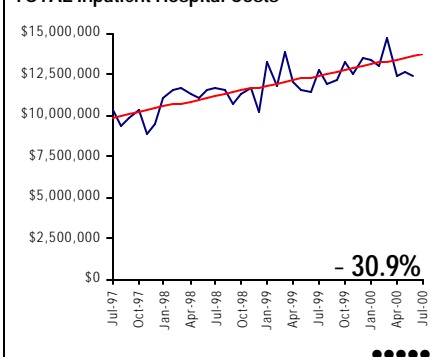
TOTAL Number of Admissions



Average Cost for ALL Admissions



TOTAL Inpatient Hospital Costs



DOTS represent percent change: ●●●●●●●● = Over 75 percent increase. ●●●●●●●● = 50.0 to 74.9 percent. ●●●●●●●● = 30.0 to 49.9 percent. ●●●●●●●● = 20.0 to 29.9 percent. ●●●●●●●● = 10.0 to 19.9 percent. ●●●●●●●● = 5.0 to 9.9 percent. ●●●●●●●● = 0 to 4.9 percent. None = Decrease.

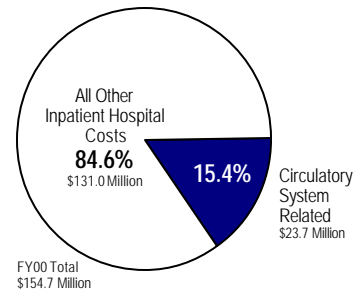
DETAIL: Inpatient Hospital Utilization and Cost by Major Diagnostic Category

Diseases and Disorders of the Circulatory System

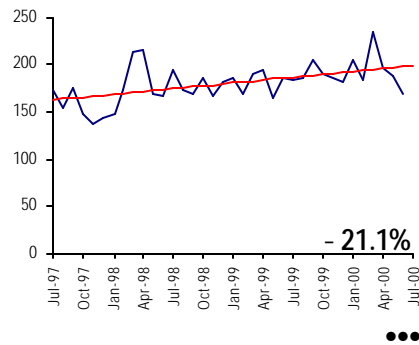
MDC5: DRGs 103-108, 110-145, 478-479, 543-550, 796-797, 808-809

The circulatory system includes blood vessels such as arteries, veins and capillaries and their supporting structures. Disorders in this category include high blood pressure (hypertension), clots in veins such as the legs (deep venous thromboses), irregular heart beat (cardiac arrhythmia), and heart related chest pain (angina). In FY 2000, circulatory system related inpatient costs represented 15.4 percent of all MAA inpatient expenditures. Higher use appears to have been the primary cost driver. Circulatory-related admissions rose 21.1 percent; average cost per admission increased 10.0 percent, and total circulatory system costs 33.4 percent in admissions.

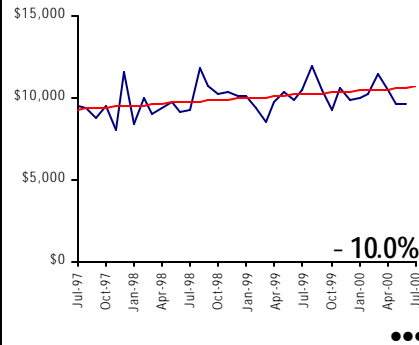
FY 2000 Inpatient Hospital Expenditures



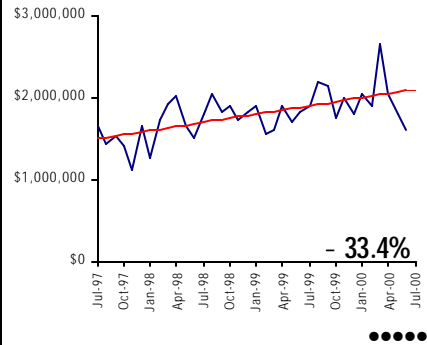
Number of Admissions



Average Cost Per Admission



Total Circulatory System Costs



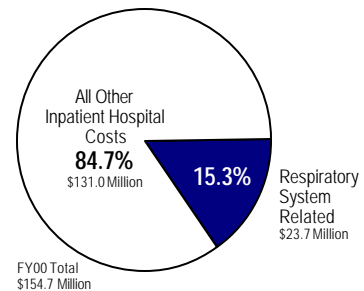
Diseases and Disorders of the Respiratory System

MDC4: DRGs 75-80, 82-90, 92-97, 99-102, 475, 538-542, 631, 740, 770-775, 798-802

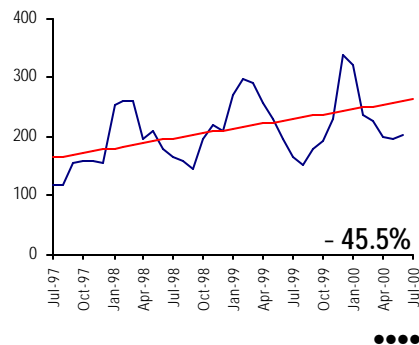
The respiratory system encompasses anything that affects breathing from the mouth to the lungs. Blood clots (pulmonary embolism), bronchitis, asthma, pneumonia, and emphysema all fall in this category.

Respiratory system related inpatient costs totaled \$23.1 million, representing 15.3 percent of MAA's total inpatient costs for FY 2000. Respiratory system related hospital admissions rates increased 45.5 percent, the third highest in this period. While the average per admission cost growth was a low 4.8 percent, overall respiratory system related inpatient hospital costs saw the one of the highest increases of the period, up 53.2 percent.

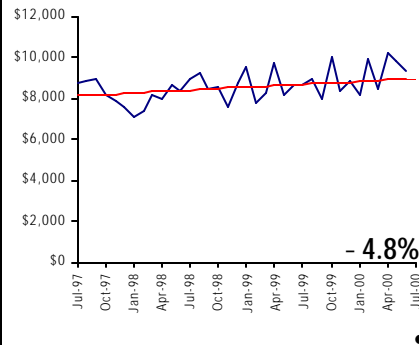
FY 2000 Inpatient Hospital Expenditures



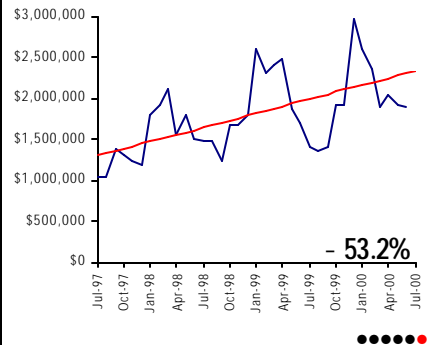
Number of Admissions



Average Cost Per Admission



Total Respiratory System Costs

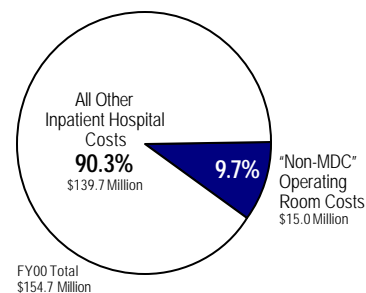


Extensive Operating Room Procedures Unrelated to Principle Diagnosis (CANNOT BE UNGROUPED FOR MEDICAL DIAGNOSIS CODING)

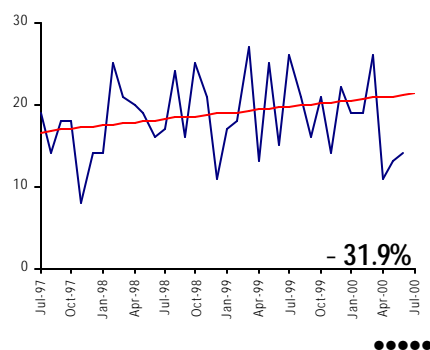
Category 99

Inpatient hospital costs other than those tied to Diagnostic Related Groups (DRGs) are included in this item, and deemed "Non-MDC" or non-medical diagnosis code. This category of miscellaneous operating room medical costs represented 9.7 percent of MAA's FY 2000 inpatient hospital expenditures. Related admissions rates were cyclical, and increased at an overall rate of 24.2 percent. Average per admission costs rose 22.7 percent, and overall "Non-MDC" operating room costs in FY 2000 rose 62.3 percent.

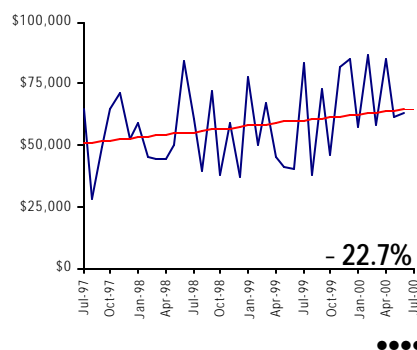
FY 2000 Inpatient Hospital Expenditures



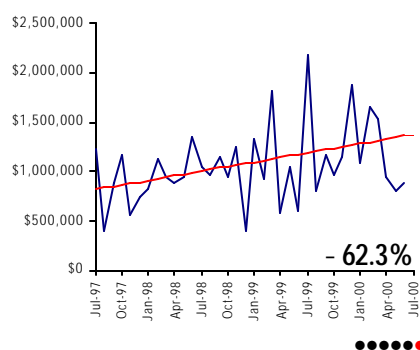
Number of Admissions



Average Cost Per Admission



Total "Non-MDC" Operating Room Costs

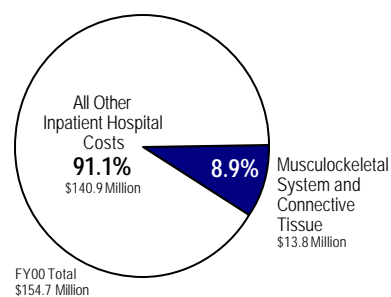


Musculoskeletal System and Connective Tissue

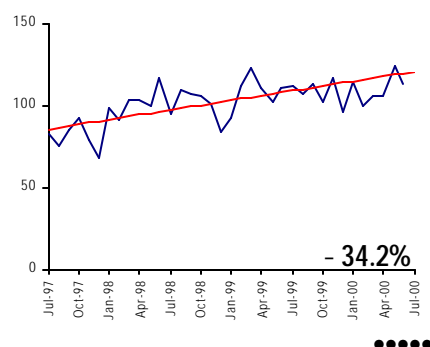
MDC8: DRGs 209-213, 216-256, 471, 491, 558-561, 755-758, 789, 790, 806-807

Diseases and disorders affecting muscles, bones and their connective tissue fall in this category. Examples include fractures, dislocations, tendonitis and bursitis. Hip fractures would also fall in this category. At \$13.8 million, musculoskeletal system and connective tissue-related hospitalizations represented the fourth greatest inpatient expenditure category (9.7 percent) for MAA in FY 2000. Admissions in this category rose 34.2 percent from early 1998, with the average cost per admission up 14.1 percent and total musculoskeletal and connective tissue costs experiencing a 51.6 percent increase overall.

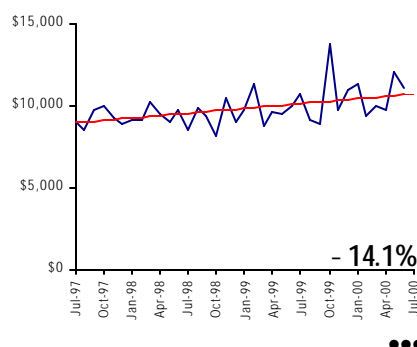
FY 2000 Inpatient Hospital Expenditures



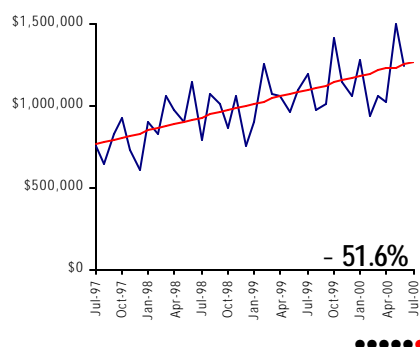
Number of Admissions



Average Cost Per Admission



Total Musculoskeletal and Connective Costs



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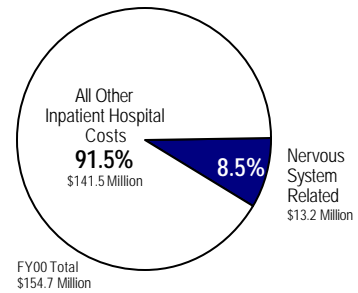
Diseases and Disorders of the Nervous System

MDC1: DRGs 1-2, 4-25, 34-35, 530-533, 737-739, 761-769

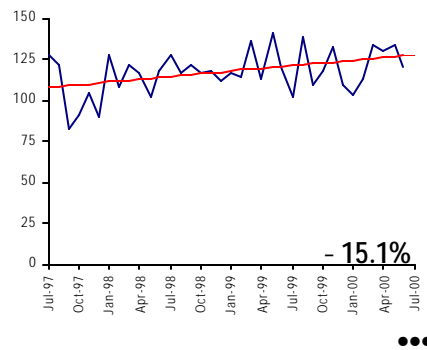
The nervous system includes the brain and spinal cord, as well as peripheral nerves. Examples of entities that fall into this category are trauma, neoplasms (tumors), seizures, infections (e.g. meningitis), and degenerative diseases such as multiple sclerosis.

In the fifth highest inpatient hospital expenditure category for FY 2000, MAA spent about \$13.2 million for nervous system related costs, or 8.5 percent of its overall inpatient costs. Admissions for this category rose 15.1 percent, however total nervous system disease and disorder costs increased by 12.4 percent.

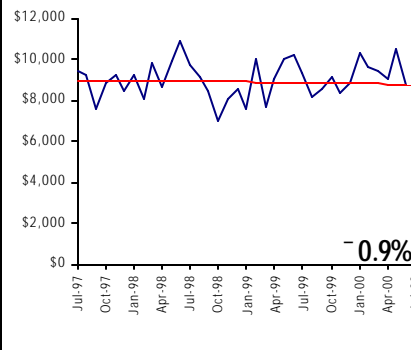
FY 2000 Inpatient Hospital Expenditures



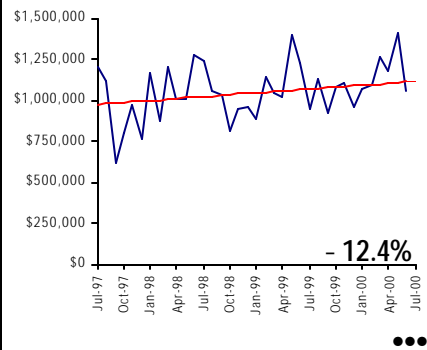
Number of Admissions



Average Cost per Admission



Total Nervous System Disease, Disorder Costs



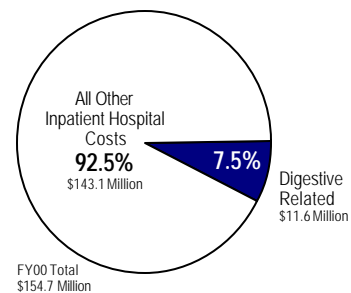
Diseases and Disorders of the Digestive System

MDC6: DRGs 146-167, 170-183, 188-189, 551-554, 585, 776-779

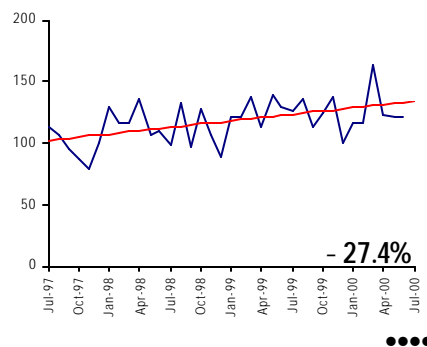
The digestive system covers the closed tract from the mouth to the last portion of the large intestine. Disorders and diseases in this category include ulcers, tumors, polyps, Crohn's disease, and surgical procedures such as hernia repair and appendectomy.

Digestive related inpatient hospital costs totaled \$11.6 million, or about 7.5 percent of MAA's total FY 2000 inpatient expenditures. Admissions for this category increased 27.4 percent for Aged, Blind, and Disabled CN clients. The average cost per admission dropped by 7.3 percent, possibly mitigating the overall digestive system cost increases of 18.2 percent.

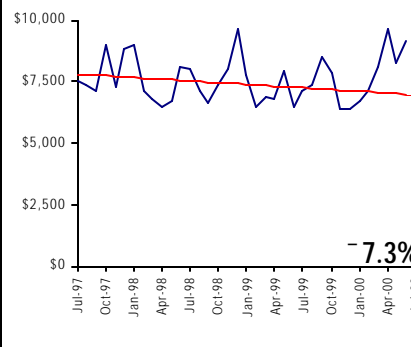
FY 2000 Inpatient Hospital Expenditures



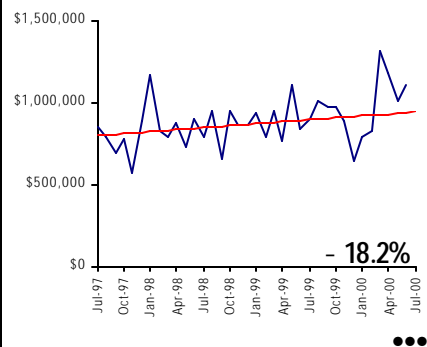
Number of Admissions



Average Cost Per Admission



Total Digestive System Costs



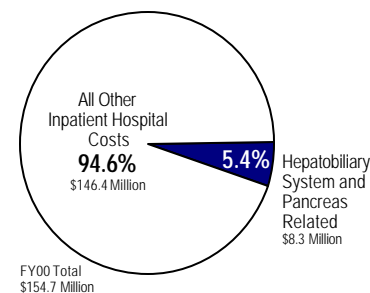
Diseases and Disorders of the Hepatobiliary System and Pancreas

MDC7: DRGs 191-208, 493, 494, 555-557, 787

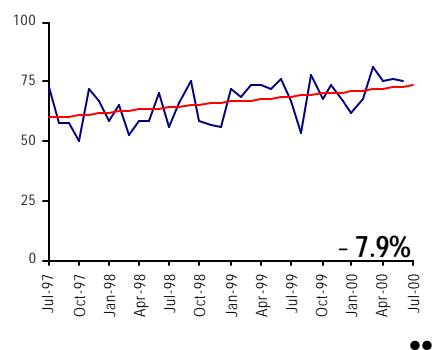
Diseases and disorders of the liver, gallbladder, and pancreas are included in this category. Examples include liver problems such as hepatitis and cirrhosis. Gallbladder disorders such as gallstones also fall in this category. Pancreatic disorders would include anything that affected the exocrine pancreas, such as inflammation, called pancreatitis. While diabetes affects the pancreas, this disease is grouped into another category.

Expenditures for Hepatobiliary System and Pancreas related hospitalizations totaled \$8.3 million, representing 5.4 percent of all inpatient spending.

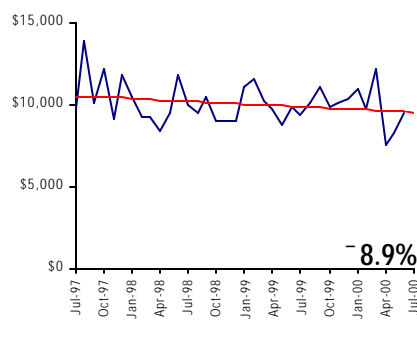
FY 2000 Inpatient Hospital Expenditures



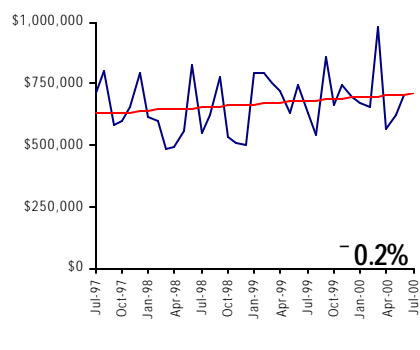
Number of Admissions



Average Cost Per Admission



Total Hepatobiliary System and Pancreas Costs



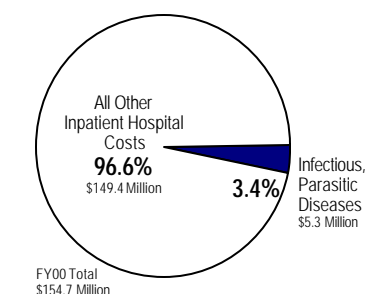
Infectious and Parasitic Diseases (Systemic or Unspecified Sites)

MDC18: DRGs 415-423, 580-581, 584

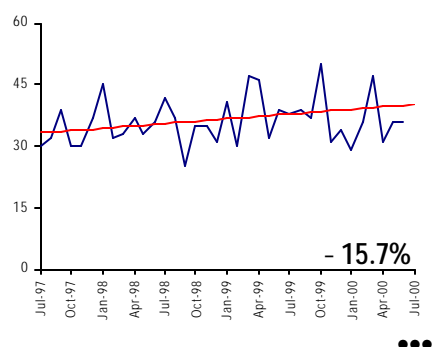
Infectious diseases are any diseases caused by bacteria, virus, or other type of microorganism. Examples of parasitic diseases are malaria, "worms," and African Sleeping Sickness.

Inpatient expenditures incurred for infectious and parasitic diseases totaled \$5.3 million, representing 3.4 percent of all inpatient hospital costs and experiencing an 18.8 percent increase in total costs.

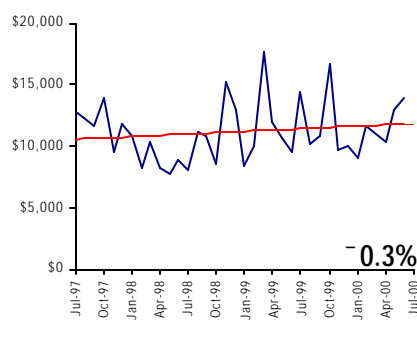
FY 2000 Inpatient Hospital Expenditures



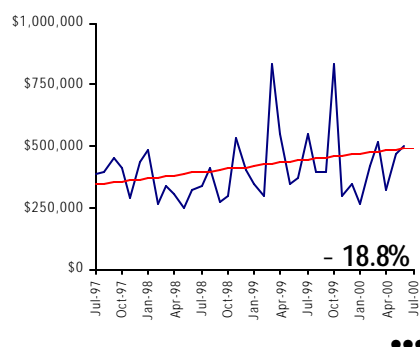
Number of Admissions



Average Cost Per Admission



Total Infectious and Parasitic Disease Costs



DOTS represent percent change: ●●●●●●●● = Over 75 percent increase. ●●●●●●●● = 50.0 to 74.9 percent. ●●●●●●●● = 30.0 to 49.9 percent. ●●●●●●●● = 20.0 to 29.9 percent. ●●●●●●●● = 10.0 to 19.9 percent. ●●●●●●●● = 5.0 to 9.9 percent. ●●●●●●●● = 0 to 4.9 percent. None = Decrease.

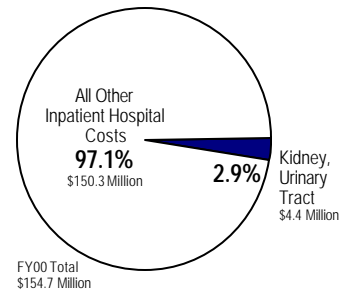
Diseases and Disorders of the Kidney and Urinary Tract

MDC11: DRGs 302-333, 567-569

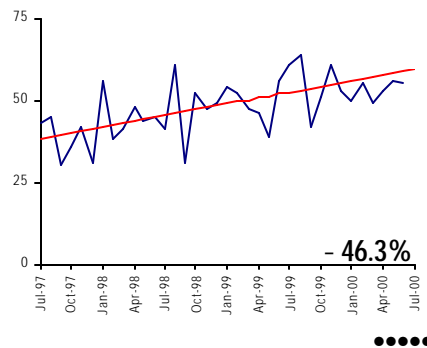
The kidney and urinary tract encompasses the kidneys, ureters, bladder, and urethra. Examples of disorders and diseases in this category are kidney stones, urinary bladder infections (UTIs), and tumors of various structures in this system. Also included are kidney transplants and dialysis.

Both the numbers of admissions and total kidney and urinary tract costs increased by more than 40 percent in this time period. About 2.9 percent of all inpatient hospital costs, or \$4.4 million in payments, were made within this category.

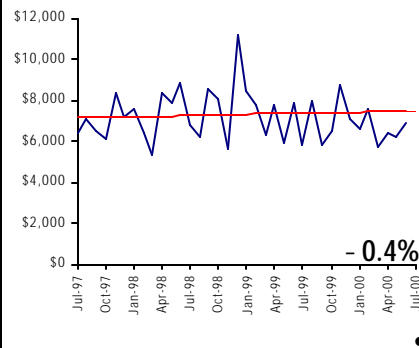
FY 2000 Inpatient Hospital Expenditures



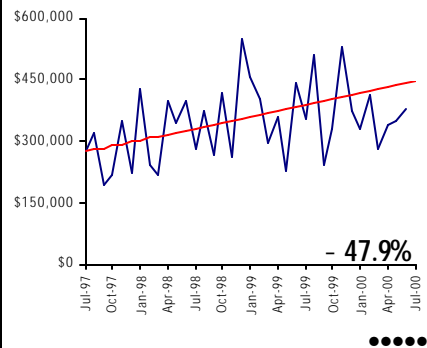
Number of Admissions



Average Cost Per Admission



Total Kidney and Urinary Tract Costs



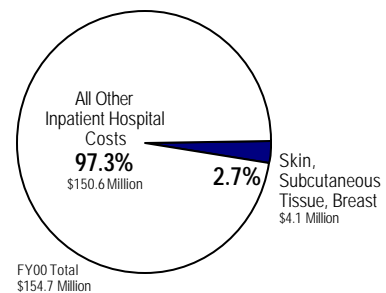
Diseases and Disorders of the Skin, Subcutaneous Tissue, Breast

MDC9: DRGs 257-284, 562-564

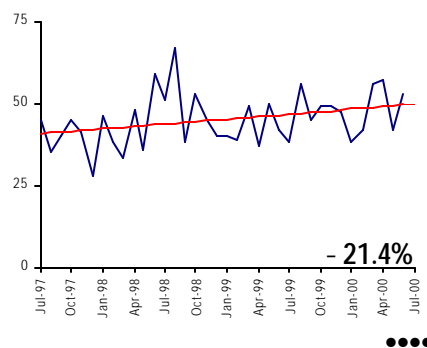
Anything that affects the skin and its underlying tissues as well as the breast falls in this category. Removal of a breast or portion thereof (mastectomy), breast or skin biopsies, skin grafts and infection of the tissue beneath the skin (cellulitis) are examples of disorders or diseases that fall in this category.

MAA spent about 2.7 percent of its inpatient dollars, or \$4.1 million, in this arena, and experienced the one of the highest increases (25.3 percent) in the average cost per admissions.

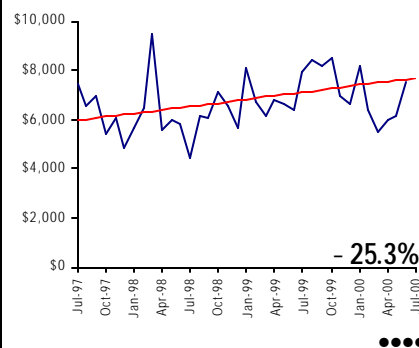
FY 2000 Inpatient Hospital Expenditures



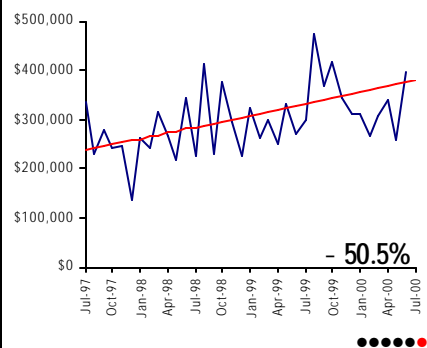
Number of Admissions



Average Cost Per Admission



Total Skin, Subcutaneous Tissue, Breast Costs

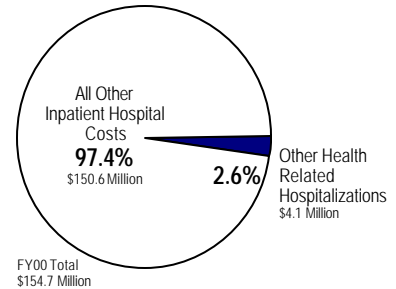


Factors Influencing Health Status, Other Health Service Contacts

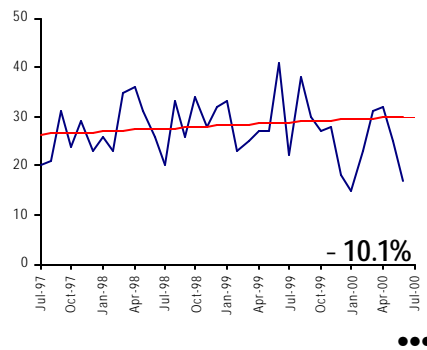
MDC23: DRGs 461-467, 633-634, 636, 754

This category includes physical rehabilitation and aftercare services. Overall spending in this category represented 2.6 percent of MAA's inpatient costs for the Aged, Blind, Disabled Categorically Needy. Admissions, average costs per admission, and total costs all experienced increases.

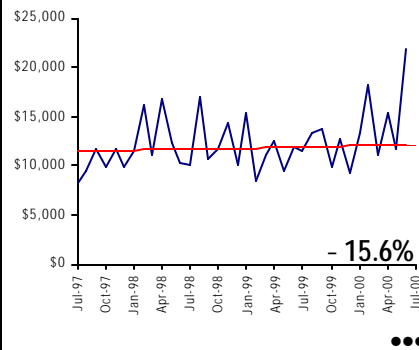
FY 2000 Inpatient Hospital Expenditures



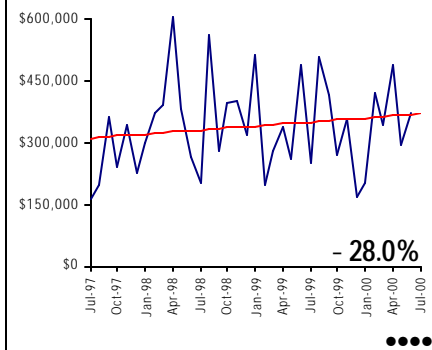
Number of Admissions



Average Cost Per Admission



Total Other Influential Health Costs

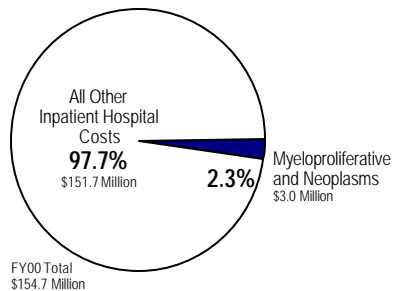


Myeloproliferative Diseases and Poorly Differentiated Neoplasms

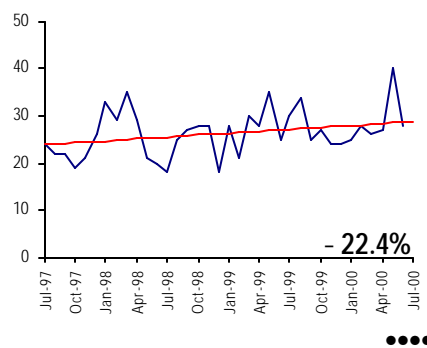
MDC17: DRGs 400-404, 406-414, 576-579, 780-783

This category includes the various types of leukemia and lymphomas, and in FY 2000 represented 2.3 percent of MAA's inpatient hospital expenditures. While the number of admissions rose by 22.4 percent, this category experienced the second greatest reduction in average per admission costs (28.6 percent) and second most significant decline in overall costs (11.9 percent).

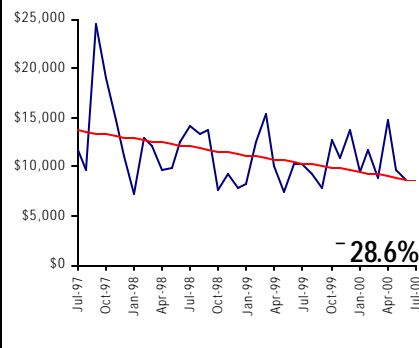
FY 2000 Inpatient Hospital Expenditures



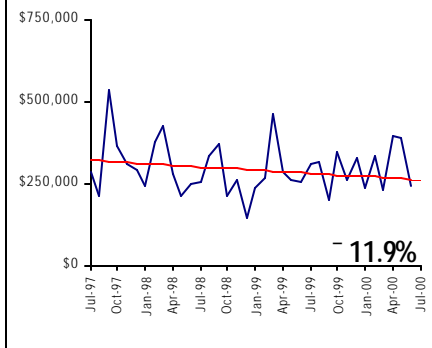
Number of Admissions



Average Cost Per Admission



Total Myeloproliferative, Neoplasm Costs



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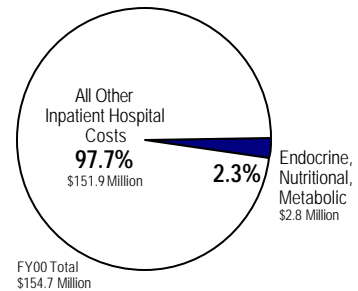
Endocrine, Nutritional and Metabolic Diseases and Disorders

MDC10: DRGs 285-301, 565-566, 740, 753

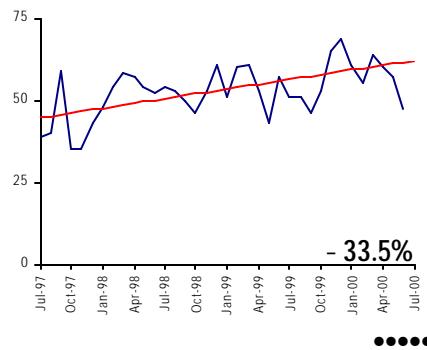
Endocrine organs include the thyroid gland, pancreas, adrenal glands and pituitary gland. Diseases in this category include diabetes, hyper or hypothyroidism, and similar conditions.

Despite significant national focus on the prevention and treatment of diabetes and similar conditions, admissions in this arena increased for Medicaid Aged, Blind, and Disabled CN clients 33.5 percent from early 1998 to mid 2000, with total related costs up 46.2 percent.

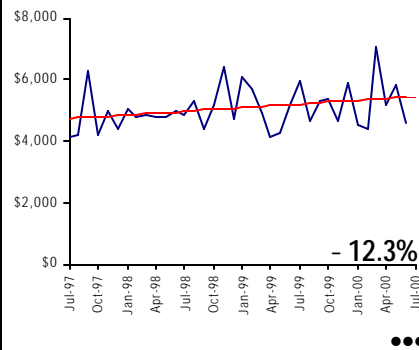
FY 2000 Inpatient Hospital Expenditures



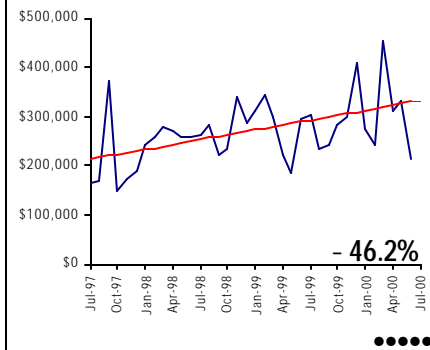
Number of Admissions



Average Cost Per Admission



Total Endocrine, Nutritional, Metabolic Costs



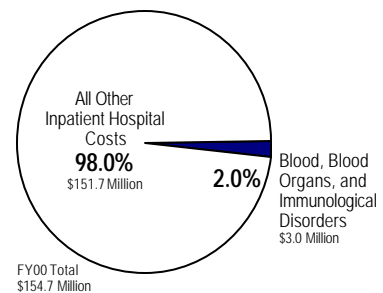
Blood, Blood Forming Organs, Immunological Diseases, Disorders

MDC16: DRGs 370-384, 650-652

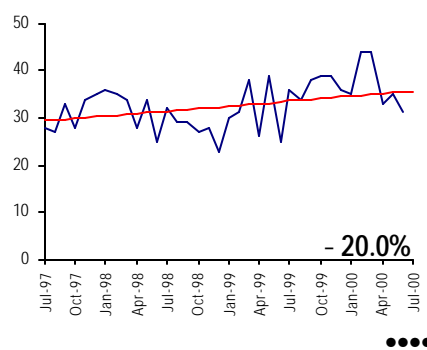
This category encompasses any disease/disorder of the blood and blood forming organs (mainly the spleen). Clotting disorders, such as the hemophilias, and anemias are included in this category.

MAA spent \$2 million, or 2 percent of its inpatient dollars on inpatient costs for this set of conditions, and – but for a single cost spike in the average cost of admission and total costs – the total costs remained relatively steady.

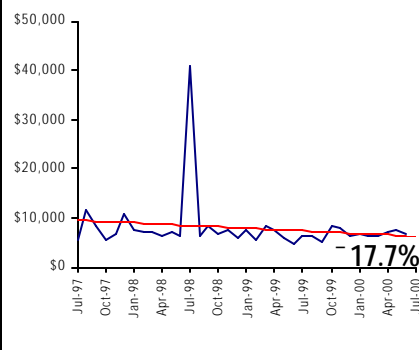
FY 2000 Inpatient Hospital Expenditures



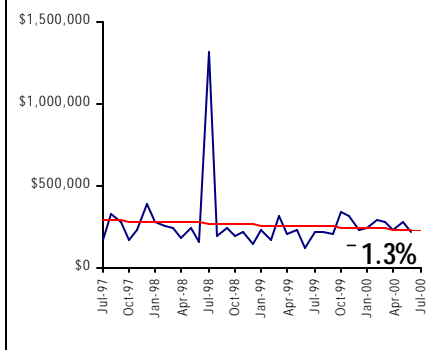
Number of Admissions



Average Cost Per Admission



Total Blood, Blood Organ, Immunological Costs



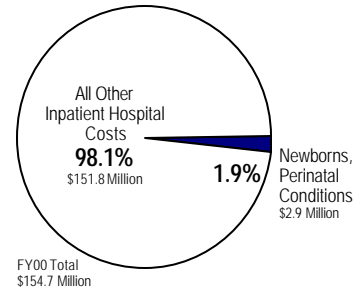
Newborns and Neonates with Perinatal Originating Conditions

MDC15: DRGs 602-624, 626-630, 635, 637-641

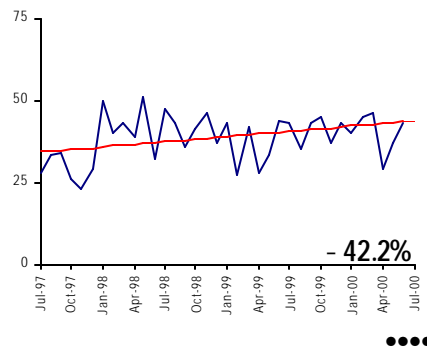
This category includes all newborns with congenital (present at birth) disorders or diseases or disorders acquired in the period soon after birth.

Increased admissions appear to be offset by significant decreases (30.4 percent) in average cost per admission. In FY 2000, admissions were up 42.2 percent, but overall costs grew by just 4.9 percent. This could be the result of outreach efforts to pregnant women, which have resulted in better birth outcomes.

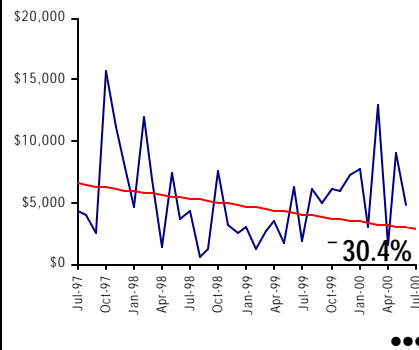
FY 2000 Inpatient Hospital Expenditures



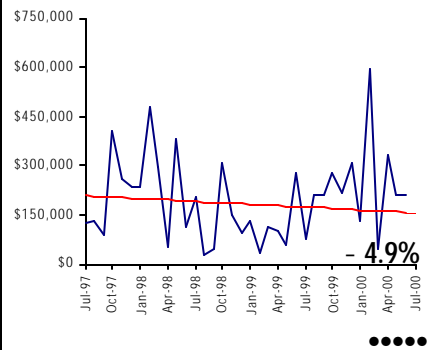
Number of Admissions



Average Cost Per Admission



Total Perinatal Originating Costs

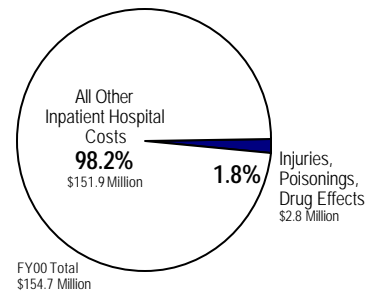


Injuries, Poisonings and Toxic Effects of Drugs

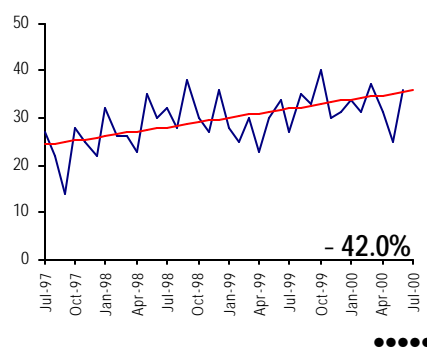
MDC21: DRGs 439-455, 582-583, 752, 791

Injuries, such as wounds of any kind, are included in this category, as well as allergic reactions. Drug overdoses also fall under this category, representing 1.8 percent of the FY 2000 inpatient expenditures. Overall, expenses in this category are up 44.9 percent.

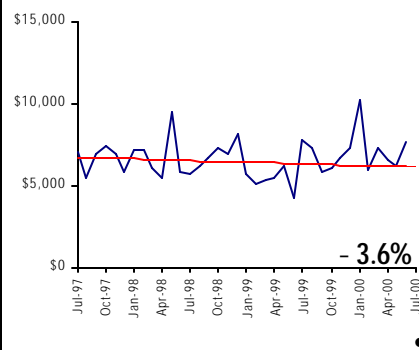
FY 2000 Inpatient Hospital Expenditures



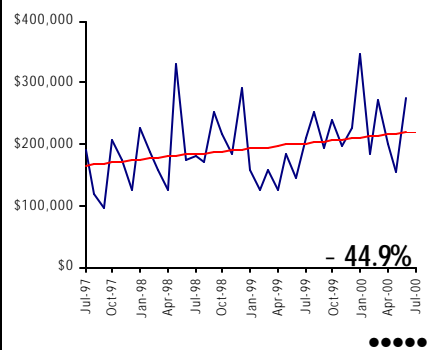
Number of Admissions



Average Cost Per Admission



Total Injury, Poisonings, and Toxic Drug Costs



DOTS represent percent change: ●●●●●●●● = Over 75 percent increase. ●●●●●●●● = 50.0 to 74.9 percent. ●●●●●●●● = 30.0 to 49.9 percent. ●●●●●●●● = 20.0 to 29.9 percent. ●●●●●●●● = 10.0 to 19.9 percent. ●●●●●●●● = 5.0 to 9.9 percent. ●●●●●●●● = 0 to 4.9 percent. None = Decrease.

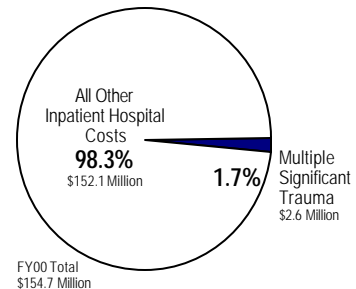
Multiple Significant Trauma

MDC25: DRGs 730-734, 792-794

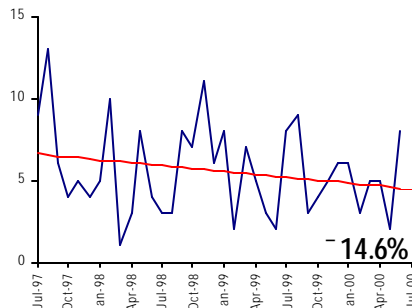
This category includes physical rehabilitation and trauma involving major body areas, such as the head, chest, and extremities are included here. Trauma resulting from an auto accident is one example.

Declines in admission, per admission costs, and total costs (down 25.5 percent) were seen for multiple significant traumas.

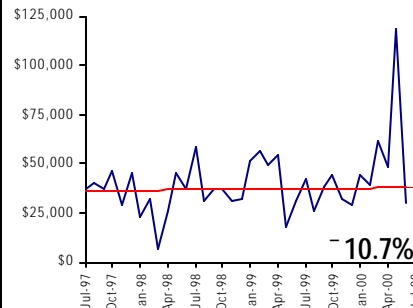
FY 2000 Inpatient Hospital Expenditures



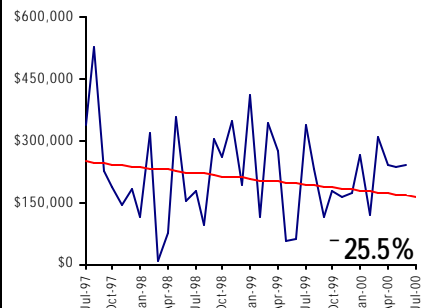
Number of Admissions



Average Cost Per Admission



Total Multiple Significant Trauma Costs

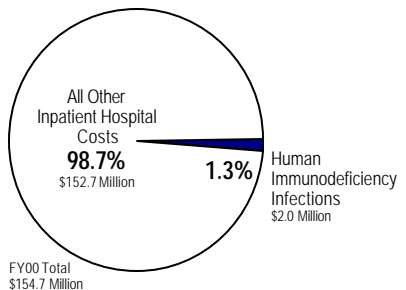


Human Immunodeficiency Infections

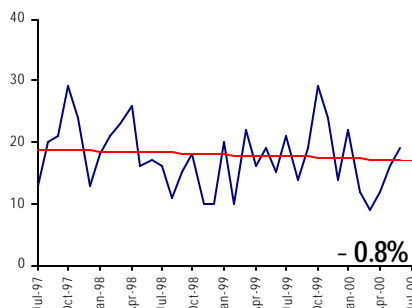
MDC 24: DRGs 700-716

Procedures related to HIV are included here. Spending on HIV-related expenditures comprise only 1.3 percent of inpatient hospital costs, with total related costs up 14.7 percent. Innovations in prescription drugs help treat this disease so the number of admissions is not significantly increasing (0.8 percent)

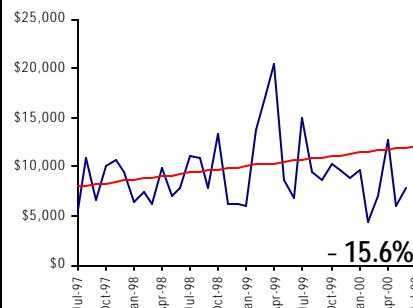
FY 2000 Inpatient Hospital Expenditures



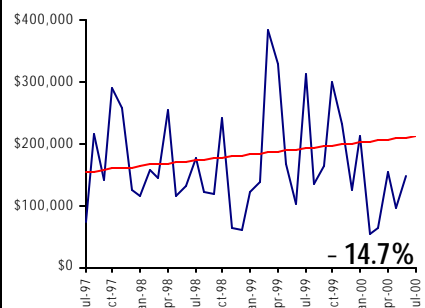
Number of Admissions



Average Cost Per Admission



Total Human Immunodeficiency Infection Costs



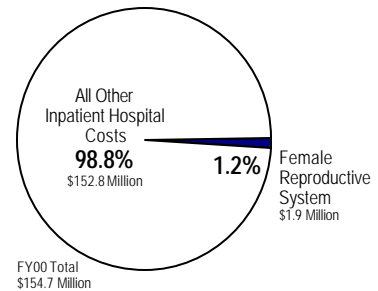
Diseases and Disorders of the Female Reproductive System

MDC13: DRGs 353-369, 572-573

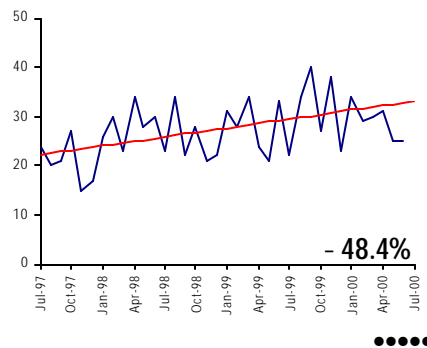
This category would include hysterectomy, any procedures involving the vagina, vulva, or cervix and D & C (Dilation and Curettage). Admissions in this disease category grew 48.4 between early 1998 and FY 2000, the highest increase of any category.

At 62.7 percent growth, average per admission costs were second only to burns.

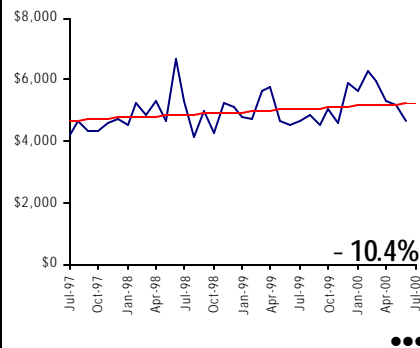
FY 2000 Inpatient Hospital Expenditures



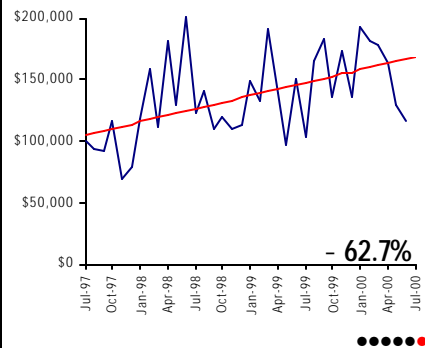
Number of Admissions



Average Cost Per Admission



Total Female Reproductive System Costs



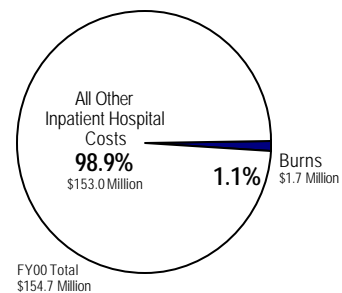
Burns

MDC 22: DRGs 456-460, 472

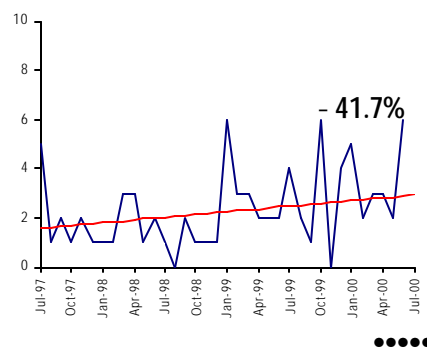
Anything related to burns (thermal injury) falls in this category.

Costs for burns have increased faster than any other category of illness, but represents just 1.1 percent of total Inpatient Hospital costs. A single month with just one large expenditure, as can be seen in the middle chart, can change the trend dramatically.

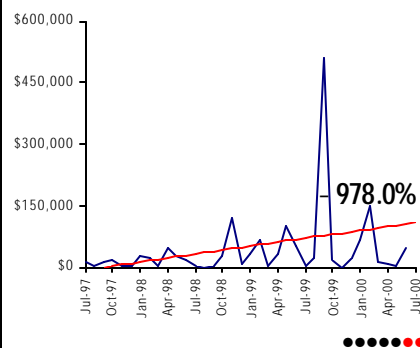
FY 2000 Inpatient Hospital Expenditures



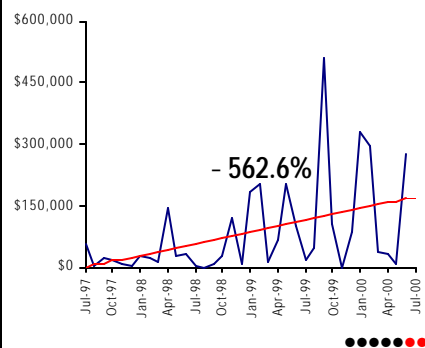
Number of Admissions



Average Cost Per Admission



Total Burn Costs



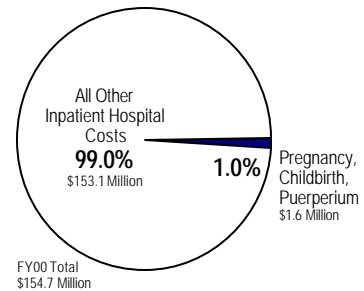
DOTS represent percent change: ●●●●●●●● = Over 75 percent increase. ●●●●●●●● = 50.0 to 74.9 percent. ●●●●●●●● = 30.0 to 49.9 percent. ●●●●●●●● = 20.0 to 29.9 percent. ●●●●●●●● = 10.0 to 19.9 percent. ●●●●●●●● = 5.0 to 9.9 percent. ●●●●●●●● = 0 to 4.9 percent. None = Decrease.

Pregnancy, Childbirth and the Puerperium

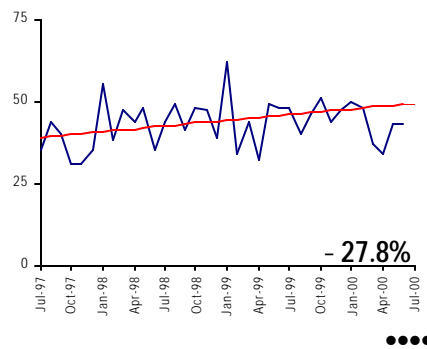
MDC14: DRGs 370-384, 650-652

This category would include childbirth, both vaginally and by cesarean section and any complications involving the mother during childbirth or immediately thereafter. The cost increase for this category between early FY 1998 and early FY 2000 was 46.3 percent.

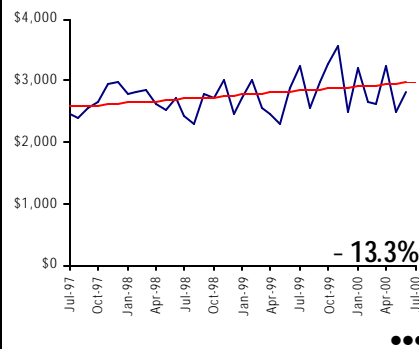
FY 2000 Inpatient Hospital Expenditures



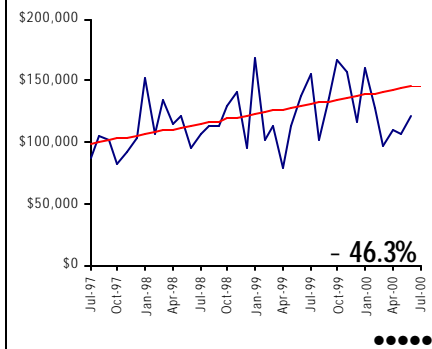
Number of Admissions



Average Cost Per Admission



Total Pregnancy, Childbirth, Puerperium Costs

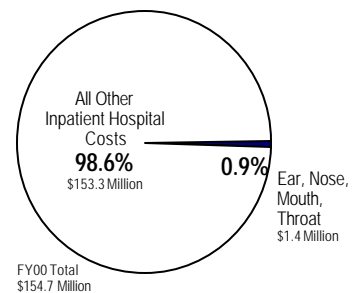


Diseases and Disorders of the Ear, Nose, Mouth and Throat

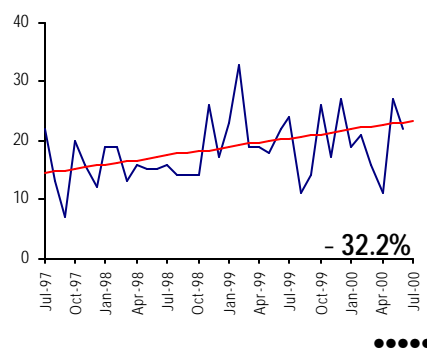
MDC3: DRGs 49-74, 168-169, 185-187, 536, 586-587, 759, 786

This category covers disorders of the ear, nose, mouth and throat, including head and neck procedures. Other entities that fall in this category are salivary gland problems, tonsils, adenoids and ear infections (otitis media). Overall costs for ear, nose, mouth and throat diseases and disorders increased 31.0 percent during the reporting period.

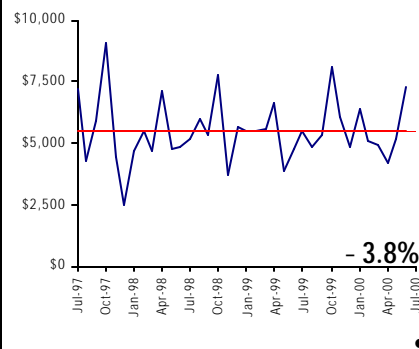
FY 2000 Inpatient Hospital Expenditures



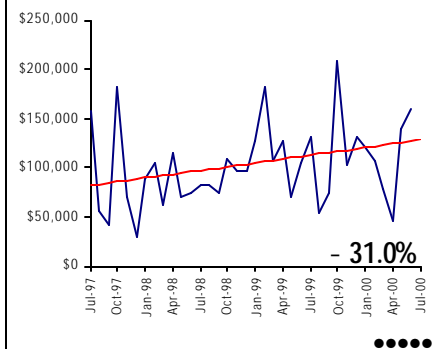
Number of Admissions



Average Cost Per Admission



Total Ear, Nose, Mouth and Throat Costs

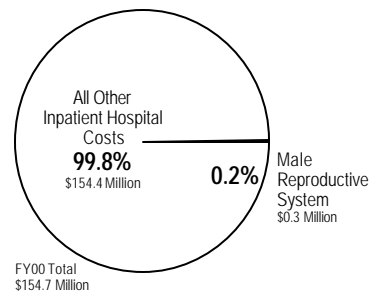


Diseases and Disorders of the Male Reproductive System

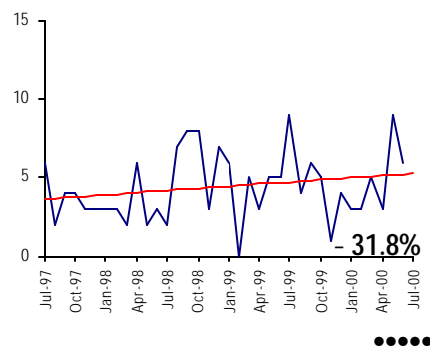
MDC12: DRGs 334-352,570-571

Probably at this time, the main diseases and disorders encountered in this category are those involving the prostate gland. Circumcision and tumors involving any part of the male reproductive system are also represented. Overall costs for this category increased by almost 60 percent.

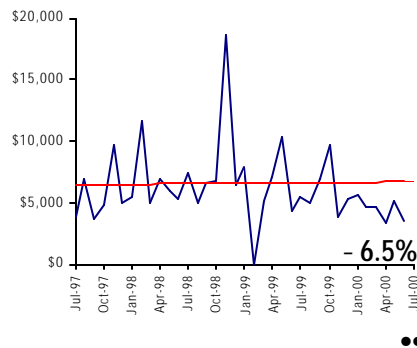
FY 2000 Inpatient Hospital Expenditures



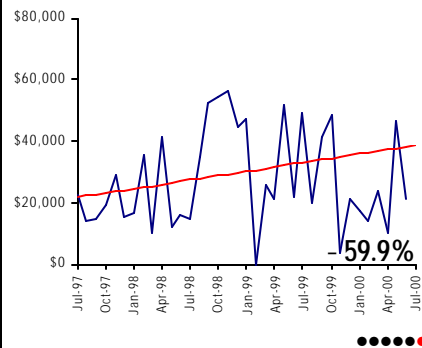
Number of Admissions



Average Cost Per Admission



Total Male Reproductive System Costs

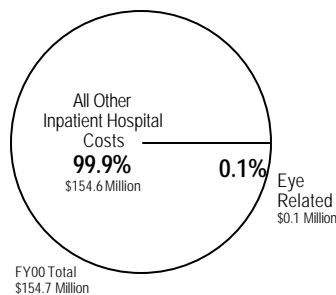


Diseases and Disorders of the Eye

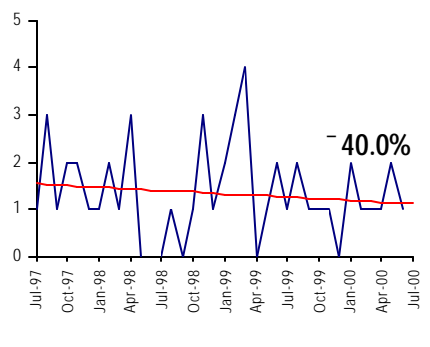
MDC2: DRGs 36-48,534-535

This category includes the eye and its surrounding structures. Infections, retinal disorders, glaucoma and cataracts are examples of items in this category. Eye related admissions saw the most significant drop of any condition set, but at the same time experienced the second highest per-admission cost. More data would be needed for this category to verify the accuracy of this trend.

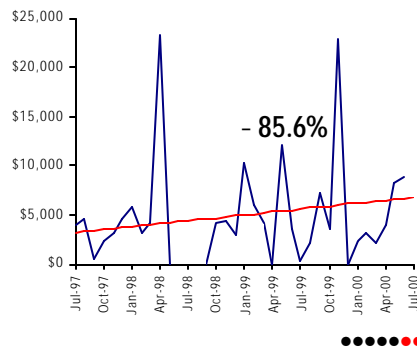
FY 2000 Inpatient Hospital Expenditures



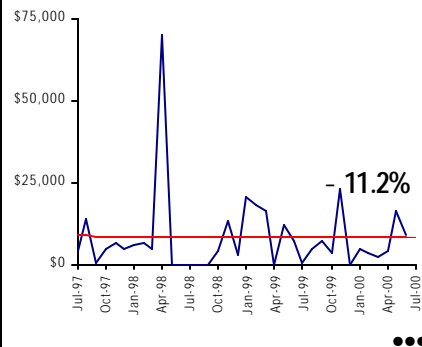
Number of Admissions



Average Cost Per Admission



Total Eye Disorder, Disease Costs



DOTS represent percent change: ●●●●●●●● = Over 75 percent increase. ●●●●●●●● = 50.0 to 74.9 percent. ●●●●●●●● = 30.0 to 49.9 percent. ●●●●●●●● = 20.0 to 29.9 percent. ●●●●●●●● = 10.0 to 19.9 percent. ●●●●●●●● = 5.0 to 9.9 percent. ●●●●●●●● = 0 to 4.9 percent. None = Decrease.